

Statutory Document No. 2022/0245



European Union and Trade Act 2019

RUSSIA SANCTIONS (APPLICATION) (NO. 11) REGULATIONS 2022¹

Approved by Tynwald: 19 October 2022

Coming into operation in accordance with regulation 2

The Council of Ministers makes the following Regulations under section 19 of the European Union and Trade Act 2019.

The Council of Ministers is of the opinion that, by reason of urgency, it is necessary to make these Regulations subject to the Tynwald procedure set out in section 31 of the Legislation Act 2015 (“affirmative”) instead of the “approval required” Tynwald procedure applied by virtue of section 19(1) of the European Union and Trade Act 2019.

1 Title

These Regulations are the Russia Sanctions (Application) (No. 11) Regulations 2022.

2 Commencement

If approved by Tynwald, these Regulations come into operation immediately after they are made¹.

3 Application of the Russia (Sanctions) (EU Exit) (Amendment) (No. 14) Regulations 2022

(1) The Russia (Sanctions) (EU Exit) (Amendment) (No. 14) Regulations 2022² (“the applied legislation”) apply to the Island, as part of the law of the Island, subject to the following modifications.

(2) In regulation 1 (citation and commencement) —

¹ Paragraph 7 of Schedule 4 to the European Union and Trade Act 2019 provides that if a statutory document contains a declaration that the Council of Ministers is of the opinion that, by reason of urgency, it is necessary to make the statutory document subject to the Tynwald procedure set out in section 31 of the Legislation Act 2015 (“affirmative”), that procedure applies to the statutory document instead of the “approval required” Tynwald procedure applied by virtue of any provision of the European Union and Trade Act 2019.

² SI 2022/850.

- (a) in the heading, omit “and commencement”; and
 - (b) omit paragraph (2).
- (3) In regulation 2 (amendment of the Russia (Sanctions) (EU Exit) Regulations 2019), after “2019”, insert **66**, as they have effect in the Island³, **62**.
 - (4) In regulation 9 (amendment of regulation 45), in the heading, for “non-UK”, substitute **66**non-IOM **62**.
 - (5) In regulation 12 (insertion of Chapters 4H, 4I, 4J and 4K), in the inserted regulations 46Z5, 46Z6, 46Z7, 46Z8, 46Z12, 46Z13, 46Z14, 46Z15, 46Z19, 46Z20, 46Z21 and 46Z22, after “United Kingdom”, wherever occurring, insert **66**or the Isle of Man **62**.
 - (6) In regulation 17 (amendment of regulation 60C), in the inserted paragraph (2AA), for “a UK”, substitute **66**an Isle of Man **62**.
 - (7) In regulation 18 (insertion of regulation 60DA), in the inserted regulation 60DA (trade: exception relating to professional and business services) —
 - (a) in paragraph (1)(a)(i), for “UK”, substitute **66**Isle of Man **62**; and
 - (b) in paragraph (1)(a)(ii)(bb), for “Secretary of State”, substitute **66**Treasury **62**.
 - (8) In regulation 19 (insertion of regulations 60H and 60I), in the inserted regulation 60I (trade: exceptions in relation to Energy-related Goods) —
 - (a) in paragraph (1), for “non-UK”, substitute **66**non-IOM **62**; and
 - (b) in paragraph (3), in the definition of “UK petroleum project”, after “United Kingdom”, in both places, insert **66**or the Isle of Man **62**.
 - (9) In regulation 21 (amendment of regulation 62A), in the heading, for “in a relevant country”, substitute **66**outside the Isle of Man **62**; and
 - (10) Omit regulation 26 (insertion of Schedules 3E, 3F, 3G and 3H).
 - (11) The text of the applied legislation is annexed to these Regulations.

4 Amendment of the Russia Sanctions (Application) Regulations 2020

- (1) The Russia Sanctions (Application) Regulations 2020 are amended as follows⁴.
- (2) In the Schedule, in paragraph 1(2) (general), for “and 3D”, substitute **66**, 3D, 3E, 3F, 3G and 3H **62**.

³ SI 2019/855, as amended by SI 2020/590 and SI 2020/951, was applied to the Island by SD 2020/0504. SD 2020/0504, has subsequently been amended by SI 2022/194, SI 2022/195, SI 2022/203, SI 2022/205, SI 2022/241, SI 2022/395, SI 2022/452, SI 2022/477, SI 2022/792 as they are applied to the Island.

⁴ SD 2020/0504, as amended by SD 2022/0098 and SD 2022/0238.

MADE 22 JULY 2022

2022 No. 850

EXITING THE EUROPEAN UNION

SANCTIONS

**The Russia (Sanctions) (EU Exit) (Amendment) (No. 14)
Regulations 2022**

<i>Made</i> - - - -	<i>18th July 2022</i>
<i>Laid before Parliament</i>	<i>20th July 2022</i>
<i>Coming into force</i> - -	<i>21st July 2022</i>

The Secretary of State, considering that the condition in section 45(2) of the Sanctions and Anti-Money Laundering Act 2018^(a) is met, makes the following Regulations in exercise of the powers conferred by sections 1, 3(1)(b)(ii) and (d)(ii), 5, 15(2)(a) and (b), 17^(b), 19, 20, 21(1), 45 and 54(1) and (2) of, and paragraphs 2(b), 3(a) and (b), 4(b), (c) and (d), 5(a)(ii) and (b), 6(a)(ii) and (b), 7(b), 11(a)(ii), 13(b), (c), (h), (i), (m), (n) and (q), 14(a), (e), and (k), 17(a), 19(a), 20(c) and (d), 23 and 27(2) of Schedule 1 to, that Act.

Citation and commencement

1.—(1) These Regulations may be cited as the Russia (Sanctions) (EU Exit) (Amendment) (No. 14) Regulations 2022.

~~(2) These Regulations come into force on 21st July 2022.~~

Amendment of the Russia (Sanctions) (EU Exit) Regulations 2019

2. The Russia (Sanctions) (EU Exit) Regulations 2019^(c), **as they have effect in the Island^d**, are amended as follows.

^(a) 2018 c. 13 (“the 2018 Act”). The power to make regulations under Part 1 of the 2018 Act is conferred on an appropriate Minister. Section 1(9)(a) of the Act defines an “appropriate Minister” as including the Secretary of State.

^(b) Section 17(5)(b)(i) (enforcement) is amended by the Sentencing Act 2020 (c. 17), Schedule 24, paragraph 443(1). Sections 1 and 45 are amended by the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10), sections 57 and 62.

^(c) S.I. 2019/855 as amended by S.I. 2020/590 and 951, 2022/123, 194, 195, 203, 205, 241, 395, 452, 689, and 477 and by the Sentencing Act 2020 (c. 17).

^d SI 2019/855, as amended by SI 2020/590 and SI 2020/951, was applied to the Island by SD 2020/0504. SD 2020/0504, has subsequently been amended by SI 2022/194, SI 2022/195, SI 2022/203, SI 2022/205, SI 2022/241, SI 2022/395, SI 2022/452, SI 2022/477 and SI 2022/792 as they are applied to the Island.

Interpretation of Part 5 (Trade)

3. In regulation 21(1), at the appropriate places, insert—

““coal and coal products” means any thing specified in Schedule 3H;”;

““G7 dependency and further goods list goods” means any thing specified in Schedule 3E;”;

““gold” means the gold and products related to gold specified in Schedule 3G;”;

““oil and oil products” means any thing specified in Schedule 3F;”;

““professional and business services” means the services described in regulation 54B;”.

Amendment or regulation 40 (export of energy-related goods)

4. For regulation 40(1) substitute—

“(1) The export of energy-related goods to, or for use in, Russia is prohibited.”.

Amendment of regulation 41 (supply and delivery of energy-related goods)

5. For regulation 41 substitute—

“Supply and delivery of energy-related goods

41.—(1) A person must not directly or indirectly supply or deliver energy-related goods from a third country to a place in Russia.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the goods were destined (or ultimately destined) for Russia.

(4) In this regulation “third country” means a country that is not the United Kingdom, the Isle of Man or Russia.”.

Amendment of regulation 42 (making energy-related goods available)

6.—(1) After regulation 42(1) insert—

“(1A) A person must not directly or indirectly make energy-related goods available to a person connected with Russia.”.

(2) In regulation 42(2), for “Paragraph (1) is”, substitute “Paragraphs (1) and (1A) are”.

(3) After regulation 42(3) insert—

“(4) A person who contravenes a prohibition in paragraph (1A) commits an offence, but it is a defence for a person charged with that offence (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Russia.”.

Amendment of regulation 43 (technical assistance relating to energy-related goods)

7. For regulation 43 substitute—

“Technical assistance relating to energy-related goods

43.—(1) A person must not directly or indirectly provide technical assistance relating to energy-related goods—

(a) to a person connected with Russia; or

- (b) for use in Russia.
- (2) Paragraph (1) is subject to Part 7 (Exception and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—
 - (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Russia;
 - (b) it is a defence for a person charged with an offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods were for use in Russia.”.

Amendment of regulation 44 (financial services and funds relating to energy-related goods and energy-related technology)

8.In regulation 44—

- (a) in the heading omit “and energy related technology”;
- (b) for paragraph (3) substitute—

“(3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

 - (a) the export of energy related goods to, or for use in, Russia;
 - (b) the direct or indirect supply or delivery of energy related goods to a place in Russia;
 - (c) directly or indirectly making energy related goods available—
 - (i) to a person connected with Russia; or
 - (ii) for use in Russia;
 - (d) the direct or indirect provision of technical assistance relating to energy related goods—
 - (i) to a person connected with Russia, or
 - (ii) for use in Russia.”.

Amendment of regulation 45 (brokering services: ~~non-UK~~ non-IOM activity relating to energy-related goods and energy related technology)

9.In regulation 45—

- (a) in the heading omit “and energy related technology”;
- (b) in paragraph (1)(a), omit “for use in Russia”;
- (c) for paragraph (1)(b) substitute—

“(b) directly or indirectly making energy-related goods available in a third country for direct or indirect supply or delivery—

 - (i) to a person connected with Russia, or
 - (ii) to a place in Russia;”.

Amendment of regulation 46 (prohibition on providing other energy-related services)

10.In regulation 46(4)—

- (a) for the definition of “relevant energy services” substitute—

““relevant energy services” means specified services necessary for an oil or gas exploration or production project in Russia;”;
- (b) omit the definition of “relevant oil exploration or production project”.

Amendment of regulation 46A (technical assistance relating to aircraft and ships)

11. In regulation 46A, in paragraph (2), for “Paragraph (1)” substitute “Paragraph (1)(b)”.

Insertion of Chapters 4H, 4I, 4J, and 4K

12. After regulation 46X (brokering services relating to revenue generating goods) insert—

“Chapter 4H**G7 dependency and further goods list goods****G7 dependency and further goods list goods**

46Y.—(1) The export of G7 dependency and further goods list goods to, or for use in, Russia is prohibited.

(2) A person must not directly or indirectly—

- (a) supply or deliver G7 dependency and further goods list goods from a third country to a place in Russia;
- (b) make G7 dependency and further goods list goods available to a person connected with Russia;
- (c) make G7 dependency and further goods list goods available for use in Russia.

(3) Paragraphs (1) and (2) are subject to Part 7 (exceptions and licences).

(4) A person who contravenes a prohibition in paragraph (2) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (2)(a) to show that the person did not know and had no reasonable cause to suspect that the goods were destined (or ultimately destined) for Russia;
- (b) it is a defence for a person charged with the offence of contravening paragraph (2)(b) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Russia;
- (c) it is a defence for a person charged with the offence of contravening paragraph (2)(c) to show that the person did not know and had no reasonable cause to suspect that the goods were for use in Russia.

(5) In this regulation “third country” means a country that is not the United Kingdom, the Isle of Man or Russia.

Technical assistance relating to G7 dependency and further goods list goods

46Z.—(1) A person must not directly or indirectly provide technical assistance relating to G7 dependency and further goods list goods—

- (a) to a person connected with Russia; or
- (b) for use in Russia.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1)(a) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Russia;

- (b) it is a defence for a person charged with an offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods were for use in Russia.

Financial services and funds relating to G7 dependency and further goods list goods

46Z1.—(1) A person must not directly or indirectly provide, to a person connected with Russia, financial services in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of G7 dependency and further goods list goods;
- (b) the direct or indirect supply or delivery of G7 dependency and further goods list goods;
- (c) directly or indirectly making G7 dependency and further goods list goods available to a person; or
- (d) the direct or indirect provision of technical assistance relating to G7 dependency and further goods list goods.

(2) A person must not directly or indirectly make funds available to a person connected with Russia in pursuance of or in connection with an arrangement mentioned in paragraph (1).

(3) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the export of G7 dependency and further goods list goods to, or for use in, Russia;
- (b) the direct or indirect supply or delivery of G7 dependency and further goods list goods to a place in Russia;
- (c) directly or indirectly making G7 dependency and further goods list goods available—

(i) to a person connected with Russia, or

(ii) for use in Russia; or

- (d) the direct or indirect provision of technical assistance relating to G7 dependency and further goods list goods —

(i) to a person connected with Russia, or

(ii) for use in Russia.

(4) Paragraphs (1) to (3) are subject to Part 7 (Exceptions and licences).

(5) A person who contravenes a prohibition in any of paragraphs (1) to (3) commits an offence, but—

- (a) it is a defence for a person charged with an offence of contravening paragraph (1) or (2) (“P”) to show that P did not know and had no reasonable cause to suspect that the person was connected with Russia;
- (b) it is a defence for a person charged with the offence of contravening paragraph (3) to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to G7 dependency and further goods list goods

46Z2.—(1) A person must not directly or indirectly provide brokering services to a person connected with Russia in pursuance of or in connection with an arrangement (“arrangement A”) whose object or effect is—

- (a) the export of G7 dependency and further goods list goods;

- (b) the direct or indirect supply or delivery of G7 dependency and further goods list goods;
- (c) directly or indirectly making G7 dependency and further goods list goods available to a person;
- (d) the direct or indirect provision of technical assistance relating to G7 dependency and further goods list goods;
- (f) the direct or indirect provision, in a non-UK country, of financial services—
 - (i) to a person connected with Russia, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 46Z1(1), or
 - (ii) where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 46Z1(3);
- (g) directly or indirectly making funds available, in a non-UK country, to a person connected with Russia, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 46Z1(1); or
- (h) the direct or indirect provision of funds from a non-UK country, where arrangement A, or any other arrangement in connection with which arrangement A is entered into, is an arrangement mentioned in regulation 46Z1(3).

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.

CHAPTER 4I

Oil and Oil Products

Meaning of “relevant day”

46Z3. In this Chapter, “relevant day” means 31st December 2022.

Import of oil and oil products

46Z4.—(1) The import of oil and oil products, on or after the relevant day, which are consigned from Russia is prohibited.

(2) The import of oil and oil products, on or after the relevant day, which originate in Russia is prohibited.

(2) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).

Acquisition of oil and oil products

46Z5.—(1) A person must not, on or after the relevant day, directly or indirectly acquire oil and oil products—

- (a) which originate in Russia; or
- (b) which are located in Russia,

with the intention of those goods entering the United Kingdom **or the Isle of Man.**

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the goods originated in Russia;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods were located in Russia.

Supply and delivery of oil and oil products

46Z6.—(1) A person must not, on or after the relevant day, directly or indirectly supply or deliver oil and oil products from a place in Russia to the United Kingdom **or the Isle of Man**.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the supply or delivery was from a place in Russia, whether directly or indirectly.

Technical assistance relating to oil and oil products

46Z7.—(1) A person must not, on or after the relevant day, directly or indirectly provide technical assistance relating to—

- (a) the import of oil and oil products which—

- (i) originate in Russia, or
- (ii) are consigned from Russia;

- (b) the direct or indirect acquisition of oil and oil products which—

- (i) originate in Russia, or
- (ii) are located in Russia,

with the intention of those products entering the United Kingdom **or the Isle of Man**;

- (c) the direct or indirect supply or delivery of oil and oil products from a place in Russia into the United Kingdom **or the Isle of Man**.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes any of the prohibitions in paragraph (1) commits an offence, but it is a defence for a person charged with an offence of contravening—

- (a) paragraph (1)(a), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an import described in that paragraph;
- (b) paragraph (1)(b), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an acquisition described in that paragraph;
- (c) paragraph (1)(c), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to a supply or delivery described in that paragraph.

Financial services and funds relating to oil and oil products

46Z8.—(1) A person must not, on or after the relevant day, directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the import of oil and oil products which—

(i)originate in Russia, or

(ii)are consigned from Russia; or

(b) the direct or indirect acquisition of oil and oil products which—

(i)originate in Russia, or

(ii)are located in Russia,

with the intention of those products entering the United Kingdom **or the Isle of Man**;

(c) the direct or indirect supply or delivery of oil and oil products from a place in Russia into the United Kingdom **or the Isle of Man**.

(3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).

(4) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to oil and oil products

46Z9.—(1) A person must not, on or after the relevant day, directly or indirectly provide brokering services in relation to any arrangements described in regulation 46Z8(1)(a) to (c).

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.

CHAPTER 4J

Gold

Meaning of “relevant day”

46Z10. In this Chapter, “relevant day” means the day on which this Chapter comes into force.

Prohibition on the import of gold from Russia

46Z11.—(1) The import of gold originating from Russia is prohibited, where that gold has been exported from Russia on or after the relevant day.

(2) For the purposes of these Regulations, gold has been exported from Russia when—

(a) it has completed the applicable export formalities; and

(b) where the gold was transported by—

(i)land, it has left Russian territory;

(ii)sea, the ship on which it was transported has departed a port in Russia for a destination outside of Russia;

(iii)air, the aircraft on which it was transported has departed an airport in Russia for a destination outside of Russia.

(3) Paragraph (1) is subject to Part 7 (Exceptions and licences).

Acquisition of gold from Russia

46Z12.—(1) A person must not directly or indirectly acquire gold which on or after the relevant day—

- (a) originated in Russia; and
- (b) is located in Russia,

with the intention of those goods entering the United Kingdom **or the Isle of Man.**

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the gold originated in Russia;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the gold was located in Russia.

Supply and delivery of gold from Russia

46Z13.—(1) A person must not directly or indirectly supply or deliver gold, which originated in Russia on or after the relevant day—

- (a) from a place in Russia; or
- (b) from a third country,

to the United Kingdom **or the Isle of Man.**

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the supply or delivery from a place in Russia or from a third country was of gold which originated in Russia on or after the relevant day, whether directly or indirectly.

(4) In this regulation “third country” means a country that is not the United Kingdom, the Isle of Man or Russia.

Technical assistance relating to gold

46Z14.—(1) A person must not directly or indirectly provide technical assistance relating to—

- (a) the import of gold which on or after the relevant day—

- (i) originated in Russia; or
- (ii) is consigned from Russia;

- (b) the direct or indirect acquisition of gold which on or after the relevant day—

- (i) originated in Russia; and
- (ii) is located in Russia,

with the intention of that gold entering the United Kingdom **or the Isle of Man;**

- (c) the direct or indirect supply or delivery of gold, which originated in Russia on or after the relevant day—

- (i) from a place in Russia; or
- (ii) from a third country,

to the United Kingdom **or the Isle of Man**.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with an offence of contravening —

- (a) paragraph (1)(a), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an import described in that paragraph;
- (b) paragraph (1)(b), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an acquisition described in that paragraph;
- (c) paragraph (1)(c), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to a supply or delivery described in that paragraph.

Financial services and funds relating to gold

46Z15.—(1) A person must not directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

(a) the import of gold which on or after the relevant day—

- (i) originated in Russia, or
- (ii) is consigned from Russia; or

(b) the direct or indirect acquisition of gold which on or after the relevant day—

- (i) originated in Russia; and
- (ii) is located in Russia,

with the intention of that gold entering the United Kingdom **or the Isle of Man**;

(c) the direct or indirect supply or delivery of gold, which originated in Russia on or after the relevant day—

- (i) from a place in Russia; or
- (ii) from a third country,

to the United Kingdom **or the Isle of Man**.

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to gold

46Z16.—(1) A person must not directly or indirectly provide brokering services in relation to any arrangements described in regulation 46Z15(1)(a) to (c).

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.

CHAPTER 4K

Coal and Coal Products

Meaning of relevant day

46Z17. In this Chapter, “relevant day” means 10th August 2022.

Import of coal and coal products

46Z18.—(1) The import of coal and coal products, on or after the relevant day, which are consigned from Russia is prohibited.

(2) The import of coal and coal products, on or after the relevant day, which originate in Russia is prohibited.

(3) Paragraphs (1) and (2) are subject to Part 7 (Exceptions and licences).

Acquisition of coal and coal products

46Z19.—(1) A person must not directly or indirectly, on or after the relevant day, acquire coal and coal products—

- (a) which originate in Russia; or
- (b) which are located in Russia,

with the intention of those goods entering the United Kingdom **or the Isle of Man.**

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but—

- (a) it is a defence for a person charged with the offence of contravening paragraph (1)(a) to show that the person did not know and had no reasonable cause to suspect that the goods originated in Russia;
- (b) it is a defence for a person charged with the offence of contravening paragraph (1)(b) to show that the person did not know and had no reasonable cause to suspect that the goods were located in Russia.

Supply and delivery of coal and coal products

46Z20.—(1) A person must not, on or after the relevant day, supply or deliver directly or indirectly coal and coal products from a place in Russia to the United Kingdom **or the Isle of Man.**

(2) Paragraph (1) is subject to Part 7 (Exceptions and licences).

(3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with the offence of contravening paragraph (1) to show that the person did not know and had no reasonable cause to suspect that the supply or delivery was from a place in Russia, whether directly or indirectly.

Technical assistance relating to coal and coal products

46Z21.—(1) A person must not, on or after the relevant day, directly or indirectly provide technical assistance relating to—

- (a) the import of coal and coal products which—
 - (i) originate in Russia, or
 - (ii) are consigned from Russia;

- (b) the direct or indirect acquisition of coal and coal products which—
 - (i) originate in Russia, or
 - (ii) are located in Russia,with the intention of those products entering the United Kingdom **or the Isle of Man**;
 - (c) the direct or indirect supply or delivery of coal and coal products from a place in Russia into the United Kingdom **or the Isle of Man**.
- (2) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with an offence of contravening—
- (a) paragraph (1)(a), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an import described in that paragraph;
 - (b) paragraph (1)(b), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to an acquisition described in that paragraph;
 - (c) paragraph (1)(c), to show that the person did not know and had no reasonable cause to suspect that the technical assistance related to a supply or delivery described in that paragraph.

Financial services and funds relating to coal and coal products

46Z22.—(1) A person must not, on or after the relevant day, directly or indirectly provide financial services or funds in pursuance of or in connection with an arrangement whose object or effect is—

- (a) the import of coal and coal products which—
 - (i) originate in Russia, or
 - (ii) are consigned from Russia; or
 - (b) the direct or indirect acquisition of coal and coal products which—
 - (i) originate in Russia, or
 - (ii) are located in Russia,with the intention of those products entering the United Kingdom **or the Isle of Man**;
 - (c) the direct or indirect supply or delivery of coal and coal products from a place in Russia into the United Kingdom **or the Isle of Man**.
- (2) Paragraphs (1) is subject to Part 7 (Exceptions and licences).
- (3) A person who contravenes the prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and had no reasonable cause to suspect that the financial services or funds (as the case may be) were provided in pursuance of or in connection with an arrangement mentioned in that paragraph.

Brokering services relating to coal and coal products

46Z23.—(1) A person must not, on or after the relevant day, directly or indirectly provide brokering services in relation to any arrangements described in regulation 46Z22(1)(a) to (c).

- (2) Paragraph (1) is subject to Part 7 (Exceptions and licences).
- (3) A person who contravenes a prohibition in paragraph (1) commits an offence, but it is a defence for a person charged with that offence to show that the person did not know and

had no reasonable cause to suspect that the brokering services were provided in relation to an arrangement mentioned in that paragraph.”.

Insertion of Chapter 6B

13. After regulation 54A (preventing provision of internet services to or for the benefit of designated persons) insert—

“CHAPTER 6B

Professional and Business Services

Interpretation of this Chapter

54B. In this Chapter—

- (a) “accounting services” means—
- (i) accounting review services, which are services involving the review by a person of annual and interim financial statements and other accounting information, but excluding auditing services;
 - (ii) compilation of financial statements services, which are services involving the compilation by a person of financial statements from information provided by a client, including preparation services of business tax returns when provided together with the preparation of financial statements for a single fee, but excluding such preparation services of business tax returns when provided as a separate service;
 - (iii) other accounting services such as attestations, valuations, preparation services of pro forma statements;
 - (iv) bookkeeping services, which are services consisting of classifying and recording business transactions in terms of money or some unit of measurement in the books of account, but excluding bookkeeping services related to tax returns;
- (b) “business and management consulting services” means advisory, guidance and operational assistance services provided for business policy and strategy and the overall planning, structuring and control of an organisation, which includes (but is not limited to) management auditing; market management; human resources; production management and project management consulting;
- (c) “public relations services” means services provided by a person related to improving the image of their clients and their relationship with the general public and other institutions, but excludes planning and creating services for advertising or public opinion polling services.

Professional and business services

54C.—(1) A person must not directly or indirectly provide, to a person connected with Russia—

- (a) accounting services;
- (b) business and management consulting services; or
- (c) public relations services.

(2) Paragraph (1) is subject to Part 7 (exceptions and licences).

(3) A person who contravenes any of the prohibitions in paragraph (1) (“P”) commits an offence, but it is a defence for P to show that P did not know and had no reasonable cause to suspect that the person to whom the services were provided was connected with Russia.”.

Amendment of regulation 55 (Circumventing etc. prohibitions)

14. In regulation 55(1)(a), for “Chapters 2 to 6 of this Part” substitute “Chapters 2 to 6 and Chapter 6B of this Part”.

Amendment of regulation 56 (Defences)

15. In regulation 56, for “Chapters 2 to 6 of this Part” substitute “Chapters 2 to 6 and Chapter 6B of this Part”.

Amendment of regulation 60A (Trade: exceptions in relation to personal effects etc.)

16. In regulation 60A—

(a) after paragraph (1A) insert—

“(1B) The prohibitions in Chapter 4H (G7 dependency and further goods list goods) are not contravened by a relevant activity in relation to—

- (a) any G7 dependency and further goods list goods which are necessary for the official purposes of a diplomatic mission or consular post in Russia, or an international organisation enjoying immunities in accordance with international law, or
- (b) the personal effects of their staff.

(1C) The prohibitions in Chapter 4J (Gold) are not contravened by a relevant activity in relation to—

- (a) any gold which is necessary for the official purposes of a diplomatic mission or consular post in Russia, or an international organisation enjoying immunities in accordance with international law, or
- (b) the personal effects of their staff.”;

(b) in paragraph (2)—

- (i) before the definition of “consular post”, for “paragraphs (1) and (1A)” substitute “paragraphs (1), (1A), (1B) and (1C)”;
- (ii) after the definition of “diplomatic mission” insert—

““G7 dependency and further goods list goods” has the meaning given in regulation 21 (interpretation of Part 5);

“Gold” has the meaning given in regulation 21 (interpretation of Part 5)”;
- (iii) in the definition of “relevant activity” for “paragraphs (1) and (1A)” substitute “paragraphs (1), (1A), (1B) and (1C)”.

Amendment of regulation 60C (Trade: exceptions in relation to aircraft and vessels)

17. In regulation 60C after paragraph (2) insert—

“(2AA) The prohibition in regulation 27(1)(a) is not contravened by the provision of technical assistance in relation to an aircraft owned, chartered or operated by a person connected with Russia, at a ~~UK~~ **an Isle of Man** airport provided the assistance is not for the purposes of facilitating—

- (a) a transfer of ownership of the aircraft or any of its component parts; or
- (b) a change in the operator of the aircraft.”.

Insertion of regulations 60DA

18. After regulation 60D insert—

“Trade: exception relating to professional and business services

60DA.—(1) The prohibitions in regulation 54C (professional and business services) are not contravened by any act done by a person (“P”)—

- (a) in satisfaction of an obligation—
 - (i) in respect of the provision of professional and business services by P to a person connected with Russia where those services are provided in relation to the discharge or compliance with ~~UK~~ **Isle of Man** statutory or regulatory obligations, such obligations not arising under contract;
 - (ii) arising under a contract concluded before 20th July 2022, or an ancillary contract necessary for the satisfaction of such a contract, provided that—
 - (aa) the act is carried out before the end of the period of one month beginning with the day on which this regulation comes into force;
 - (bb) P has notified the ~~Secretary of State~~ **Treasury** no later than the day 10 working days before the day on which the act is carried out;
 - (b) that is necessary for the official purposes of a diplomatic mission or consular post in Russia, or of an international organisation enjoying immunities in accordance with international law.
- (2) For the purposes of this regulation, “diplomatic mission” and “consular post” are to be construed in accordance with paragraph A1 of Schedule 5.”.

Insertion of regulations 60H and 60I

19. After regulation 60G insert—

“Trade: exception in relation to oil and oil products

60H. The prohibitions in Chapter 4I (Oil and Oil Products) are not contravened by a relevant activity in relation to any oil and oil products which—

- (a) originate in a country that is not Russia,
- (b) are not owned by a person connected with Russia, and
- (c) are only being loaded in, departing from or transiting through Russia.
- (2) For the purposes of paragraph (1)—
 - “oil and oil products” has the meaning given in regulation 21(1) (interpretation of Part 5);
 - “relevant activity” means any activity which would, in the absence of this regulation, contravene the prohibitions specified in paragraph (1).

Trade: exceptions in relation to Energy-related Goods

60I.—(1) The prohibitions in regulations 44 (financial services relating to energy-related goods) and 45 (brokering services: ~~non-UK~~ **non-IOM** activity relating to energy-related goods) are not contravened in relation to the provision of insurance or reinsurance to a relevant person with regard to that person’s activities outside the energy sector in Russia.

(2) The prohibitions in Chapter 4 (energy-related goods and related activities) are not contravened by a relevant activity that is necessary for the purposes of a UK petroleum project.

- (3) In this regulation—
 - “energy related goods” has the meaning given in regulation 21(1) (interpretation of Part 5);

“relevant activity” means any activity which would, in the absence of this regulation, contravene the prohibitions specified in paragraphs (1) and (2);

“relevant person” means a person who is not a person connected with Russia;

“UK petroleum project” means an oil or gas exploration or production project that is wholly or partially located within—

- (a) the United Kingdom **or the Isle of Man**;
- (b) waters adjacent to the United Kingdom **or the Isle of Man** up to the seaward limits of the territorial sea, or the seabed and subsoil below them;
- (c) areas from time to time designated under section 1(7) of the Continental Shelf Act 1964^(a) (designation of areas of continental shelf), and any waters within the limits of such areas.”.

Amendment of regulation 61 (trade: exception for emergencies in certain cases)

20. In regulation 61(1A), after sub-paragraph (c) insert—

- “(d) in regulation 46Y (G7 dependency and further goods list goods);
- (e) regulation 54C (Professional and business services)”.

Amendment of regulation 62A (Exception for authorised conduct in a relevant country outside the Isle of Man)

21. In regulation 62A for “Chapters 2 to 6” substitute “Chapters 2 to 6 and Chapter 6B”

Amendment of regulation 65 (trade licences)

22. In regulation 65, for “Chapters 2 to 6” substitute “Chapters 2 to 6 and Chapter 6B”.

Amendment of regulation 75 (trade: application of information powers in CEMA)

23. In regulation 75(2)(a) for “6A” substitute “6B”.

Amendment of regulation 86 (trade offences in CEMA: modification of penalty)

24.—(1) In regulation 86—

- (a) in paragraph (1), after “46S” insert “, 46Z4, 46Z11, 46Z18”;
- (b) in paragraph (3), after “46N(1),” insert “46Y(1)”;
- (c) in paragraph (5), after “46TS,” insert “46Y(1), 46Z4, 46Z11, 46Z18”.

Amendment of regulation 89 (exercise of maritime enforcement powers)

25.—(1) In regulation 89(2), after sub-paragraph (cb) insert—

- “(cc) a prohibition in regulation 46Y (trade sanctions relating to G7 dependency and further goods list goods);
- (cd) a prohibition in either of regulation 46Z4 or 46Z5 (trade sanctions relating to oil and oil products);
- (ce) a prohibition in either of regulations 46Z11 and 46Z12 (trade sanctions relating to gold);

^(a) 1964 c. 29. Section 1(7) has been amended but those amendments are not relevant to this instrument.

(cf) a prohibition in either of regulations 46Z18 and 46Z19 (trade sanctions relating to coal and coal products);”.

Insertion of Schedules 3E, 3F, 3G and 3H

26. Omitted.

18th July 2022

Rehman Chishti
Parliament Under Secretary of State
Foreign, Commonwealth and Development Office

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under the Sanctions and Anti-Money Laundering Act 2018 (c. 13) to amend the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) (“the 2019 Regulations”).

These Regulations amend Part 5 of the 2019 Regulations, on trade, and insert related Schedules. New restrictions are imposed in relation to trade in—

- professional and business services (as specified in new regulation 54B);
- miscellaneous essential goods required for the functioning of the Russian economy (as specified in new Schedule 3E);
- oil and oil products means (as specified in new Schedule 3F);
- gold (as specified in new Schedule 3G);
- coal and coal products (as specified in new Schedule 3H).

The goods specified in new Schedules 3E, 3F, 3G and 3H are specified by reference to commodity codes which are set out in the Tariff of the United Kingdom.

Provision is also made in relation to energy related goods, supplementing existing provision in Chapter 4 of Part 5.

Provision is also made in relation to the giving of technical assistance to certain aircraft situated at UK airports.

The remainder of the provisions in these Regulations relate to trade exceptions and enforcement.

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector has been published alongside these Regulations and is available from legislation.gov.uk or from the Foreign, Commonwealth and Development Office, King Charles Street, London SW1A 2AH.

ENDNOTES

Table of Endnote References

¹ The format of this legislation has been changed as provided for under section 75 of, and paragraph 2 of Schedule 1 to, the Legislation Act 2015. The changes have been approved by the Attorney General after consultation with the Clerk of Tynwald as required by section 76 of the Legislation Act 2015.